



BgSE FINANCIALS LIMITED

NEWSLETTER RESEARCH REPORT

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INDEX:

Market Outlook	02
Economy News	03-06
Market Performance	07-08
Positional calls	09
Industry News	10-11
Technical Analysis/Suggestions	12

Market Outlook

Good start for the previous week but ending with a Black friday:

- ✚ Nifty opened in the negative on Friday in line with weak global cues and drifted towards the key support in the 11,300-11,333 zone during the session. However, midway through the session, the index recovered by about 100 points, but failed to hold above 11,450 level and closed near to its opening mark, as the intraday bounce got sold into.
- ✚ The index negated the formation of higher lows of last three sessions and formed a Bearish Engulfing pattern on the weekly scale, which has bearish implications if followup selling occurs. Now, the index is facing multiple hurdles in the 11,450-11,550 zone. As long as it remains below the same, weakness can be seen towards 11,200 and then 11,111 levels.
- ✚ The border tensions instigated the selling in the market ,added with major technology sell offs in US also led to the direction of the Indian market on Friday
- ✚ Also affecting the market was the oil prices -Oil prices fell nearly 3% on Friday, headed for their biggest weekly decline since June as concern around a slow economic recovery from the COVID-19 pandemic added to worries about weak oil demand.
- ✚ Mix the different factors above and we got a Major gap down & volatility on Friday
- ✚ Till the border tensions are resolved & the global markets get back to their positive trading zones added the already Havoc Covid-19 this is a recipe for more Bearish markets & volatility.

RBI expands priority sector lending categories; includes start-ups

- ✚ The Reserve Bank has expanded the scope of priority sector lending to include start-ups funding up to Rs 50 crore, and loans to farmers for installation of solar plants and compressed biogas plants.
- ✚ The Priority Sector Lending (PSL) guidelines have been comprehensively reviewed and revised to align it with emerging national priorities and bring sharper focus on inclusive development, after having wide ranging discussions with all stakeholders, the RBI said on Friday. "Revised PSL guidelines will enable better credit penetration to credit deficient areas; increase the lending to small and marginal farmers and weaker sections; boost credit to renewable energy, and health infrastructure," the RBI said in a release.
- ✚ The PSL will include bank finance to start-ups for up to Rs 50 crore. According to the release, loans to farmers for installation of solar power plants for solarisation of grid-connected agriculture pumps and loans for setting up Compressed Bio Gas (CBG) plants have been included as fresh categories eligible for finance under priority sector.
- ✚ The revised guidelines, the RBI said, also seeks to address the issues concerning regional disparities in the flow of priority sector credit. Further, the central bank said that higher weightage have been assigned to incremental priority sector credit in "identified districts" where priority sector credit flow is comparatively low.
- ✚ The targets prescribed for "small and marginal farmers" and "weaker sections" will be increased in a phased manner, the RBI said, adding that "higher credit limit has been specified for Farmers Producers Organisations (FPOs)/ Farmers Producers Companies (FPCs) undertaking farming with assured marketing of their produce at a pre-determined price". Under the new norms, the loan limits for renewable energy, health infrastructure, including the projects under "Ayushman Bharat", have been doubled.

FM asks banks to roll out loan restructuring scheme by Sep 15

- ✚ Finance Minister Nirmala Sitharaman on Thursday asked banks and NBFCs to roll out loan restructuring scheme for COVID-19 related stress by September 15, and provide adequate support to the borrowers following the lifting of moratorium on repayment of debts. The minister urged lenders to immediately put in place a board-approved policy for resolution at the review meeting with heads of scheduled commercial banks and NBFCs through video conferencing.
- ✚ During the meeting, the minister impressed upon the lenders that as and when the moratorium on loan repayments is lifted, borrowers must be given support and COVID-19 related distress must not impact the lenders' assessment of their creditworthiness, an official statement said. The six months moratorium on payment of EMIs ended on August 31.

Economy News

- ✚ During the three-hour meeting, the statement said, the Finance Minister asked lenders to identify eligible borrowers and reaching out to them, and the quick implementation of a sustained resolution plan by lenders for the revival of every viable business. Banks are in the process of getting a board-approved restructuring framework in line with the RBI's framework and eligibility defined by the central bank in its notification on August 6.
- ✚ The Finance Minister also emphasised that resolution schemes must be rolled out by lenders by September 15, 2020, and a sustained media campaign to create awareness be carried out thereafter, the statement said. She advised lenders to ensure that regularly updated FAQs on the resolution framework are uploaded on their websites in Hindi, English and regional languages, and also circulated to their offices and branches, it added.
- ✚ On their part, bankers assured the Finance Minister that they are ready with their resolution policies and have started the process of identifying and reaching out to eligible borrowers and that they will comply with the timelines stipulated by the Reserve Bank of India (RBI). The Ministry of Finance has also been engaging with the RBI to ensure that the lenders are assisted by the central bank in the resolution process.
- ✚ The RBI last month permitted one-time restructuring of both corporate and retail loans without getting classified as a non-performing asset (NPA). Restructuring benefit can be availed by those whose account was standard on March 1 and defaults should not be over 30 days. Besides, K V Kamath committee is working on recommendations on financial parameters like debt service coverage ratio, debt-equity ratio post-resolution and interest coverage ratio for recasting corporate loans.
- ✚ The resolution plans to be implemented under the framework may include conversion of any interest accrued, or to be accrued, into another credit facility, or granting of moratorium and/or rescheduling of repayments, based on an assessment of income streams of the borrower up to two years. While the resolution under this framework can be invoked till December 31, 2020, the lending institutions have been encouraged to strive for early invocation in eligible cases, particularly for personal loans.
- ✚ Last month, state-owned Punjab National Bank had said it expects to restructure loans worth about Rs 40,000 crore as per the RBI-approved guidelines.

Economy News

Services sector activity better in August, says monthly survey

- ✚ The downturn in India's services sector activity eased significantly in August but remained in the contraction zone as COVID-19 pandemic-induced restrictions continued to adversely impact client demand and business operations, a monthly survey said on Thursday. The seasonally adjusted India Services Business Activity Index rose sharply from 34.2 in July to 41.8 in August, the highest since March, before the escalation of the pandemic.
- ✚ However, the Indian services sector activity contracted for the sixth successive month in August. A print above 50 means expansion and a score below that denotes contraction, as per the IHS Markit India Services Purchasing Managers' Index (PMI). "August highlights another month of challenging operating conditions in the Indian services sector. Sustained periods of closure and ongoing lockdown restrictions in both domestic and foreign markets have weighed heavily on the health of the industry," said Shreeya Patel, Economist at IHS Markit.
- ✚ New business and output continued to contract at marked rates, albeit slower than the records seen in April and May, the survey said, adding that restrictions also contributed to a record increase in outstanding business. "Output and new work continue to fall at solid rates, while restrictions meant that firms were often unable to complete projects. Backlogs of work accumulated to the greatest extent in almost 15 years of data collection," Patel said. On the employment front, reduced business activity saw the Indian service sector operating below capacity.
- ✚ As a result, firms reported job shedding for a sixth consecutive month. On the price front, sustained revenue losses through the second quarter and increasing cost burdens led companies to raise charges for the first time since March. Looking ahead, sentiment was neutral in August. Two-thirds of the panelists expected output in the year ahead to remain unchanged on current levels. "That said, the survey showed signs of a potential recovery.
- ✚ Business sentiment was neutral after being negative in the previous three months and employment fell at the softest pace since March," Patel said. Meanwhile, the Composite PMI Output Index, which measures combined services and manufacturing output, rose from 37.2 in July to 46 in August, and remained below the neutral 50 level, thereby signaling a fifth consecutive decline in private sector business activity.

Economy News

52 week Highs & Lows

TICKER NAME	LTP(RS.)	52-WEEK HIGH(RS.)	52-WEEK LOW(RS.)
ADANI GAS	187.75	200.90	76.70
AMBER ENT	1,835.60	1,920.90	810.00
ASTRA ZENECA	3,891.60	3,929.00	1,821.55
GRANULES(I)	346.00	350.30	91.25
IDEA	12.01	13.45	02.61
INOX WIND	48.10	51.10	16.00
JAMNAAUTOIND	47.30	51.60	21.00
SECURI.INTEL	360.35	624.10	313.65
TIMKEN	1,168.75	1,223.95	650.00

TOP GAINERS

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
IFB INDUSTRIES	553.45	483.35	70.10	14.50↑	572.40	474.00	798/232	89686	483.06
LAKSHMI MACHINE	3700.25	3431.50	268.75	7.83↑	3750.00	3321.20	3980/2001	6473	233.24
GRANULES INDIA	346.00	325.10	20.90	6.43↑	350.30	316.20	350/91	471622	1611.90
MINDA INDUSTRIE	342.90	324.55	18.35	5.65↑	345.00	315.35	420/211	15156	51.31
JAMNA AUTO INDS	47.30	44.80	2.50	5.58↑	51.60	42.15	52/21	1165226	567.26
DISH TV INDIA L	12.05	11.48	0.57	4.97↑	12.05	12.05	24/4	1697955	204.60
ASTRAZENECA PHA	3891.60	3708.75	182.85	4.93↑	3929.00	3654.80	3929/1822	14660	562.37
SADBHAV ENGINEE	52.30	49.85	2.45	4.91↑	52.30	47.45	148/23	138904	71.37
DISHMAN CARBOGE	185.60	177.55	8.05	4.53↑	186.40	169.20	217/46	149016	274.64
IRB INFRASTRUCT	125.40	120.05	5.35	4.46↑	133.00	116.20	139/46	468585	595.77

TOP LOSERS

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
RESPONSIVE INDU	99.30	107.40	-8.10	-7.54↓	105.20	98.50	122/68	12169	12.28
HFCL	16.45	17.35	-0.90	-5.19↓	17.90	16.30	20/8	1343041	229.56
ADANI GREEN ENE	544.65	573.30	-28.65	-5.00↓	550.00	544.65	573/44	210020	1144.00
FUTURE RETAIL L	112.45	118.35	-5.90	-4.99↓	112.45	112.45	415/61	354338	398.45
FUTURE LIFESTYL	128.00	134.70	-6.70	-4.97↓	128.00	128.00	470/91	13657	17.48
TCNS CLOTHING	362.85	381.75	-18.90	-4.95↓	390.00	358.90	780/300	13702	51.09
BOMBAY BURMAH	1303.35	1369.35	-66.00	-4.82↓	1381.00	1273.90	1567/538	7739	101.85
JINDAL ST & PWR	210.75	221.30	-10.55	-4.77↓	218.75	209.30	238/62	848675	1818.53
WELSPUN CORP	105.80	110.90	-5.10	-4.60↓	109.20	105.40	234/55	65481	69.92
FUTURE CONSUMER	10.91	11.42	-0.51	-4.47↓	11.17	10.85	36/5	5449532	593.72

MARKET PERFORMANCE

SUPER STOCK MOVERS

COMPANYNAME	SEP04	SEP03	SEP02	SEP01	AUG31
AB CAPITAL	72.00	71.05	63.40	61.75	61.25
ADV.ENZYME	232.95	224.80	215.30	213.80	199.20
ASTRA ZENECA	3891.60	3708.75	3683.85	3597.00	3556.65
BLUEDARTEXPR	2299.75	2215.50	2203.65	2201.90	2197.35
DIXON TECH	8576.75	8383.40	8296.10	8269.25	8098.10
EMAMI LTD	369.85	368.90	366.25	362.30	356.10
HUDCO	37.15	36.40	35.60	35.30	35.15
IFB INDS	553.45	483.35	478.20	468.55	465.25
INOX WIND	48.10	48.00	46.70	43.90	42.20
JAMNAAUTOIND	47.30	44.80	41.85	40.35	39.75

TOP QUANTITY TRADED

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
VODAFONE IDEA L	12.01	12.56	-0.55	-4.38↓	13.45	11.31	13/3	366230776	45373.58
YES BANK LTD.	14.27	14.60	-0.33	-2.26↓	14.44	14.04	88/6	16433484	2346.85
SUZLON ENERGY L	3.35	3.45	-0.10	-2.90↓	3.43	3.28	6/2	12843219	425.32
FUTURE CONSUMER	10.91	11.42	-0.51	-4.47↓	11.17	10.85	36/5	5449532	593.72
SHILPA MEDICARE	510.50	511.05	-0.55	-0.11↓	594.40	499.90	692/225	5168082	26379.92
TATA MOTORS LTD	147.75	151.75	-4.00	-2.64↓	153.60	146.00	202/64	5149109	7744.34
RELIANCE POWER	3.29	3.32	-0.03	-0.90↓	3.34	3.18	5/1	4556364	149.49
SOUTH INDIAN BA	7.42	7.34	0.08	1.09↑	7.46	7.19	12/5	4311714	318.28
IDFC FIRST BANK	31.70	31.75	-0.05	-0.16↓	32.65	30.25	48/18	3922744	1248.46
BHARAT HEAVY EL	38.65	40.00	-1.35	-3.38↓	39.85	38.40	61/19	3650554	1428.38

TOP VALUE TRADED

COMAPNY NAME	LTP	PREV. CLOSE	CHANGE(RS.)	CHANGE (%)	HIGH	LOW	52 WEEK HIGH/LOW	TTQ	TTV (IN LAKHS)
VODAFONE IDEA L	12.01	12.56	-0.55	-4.38↓	13.45	11.31	13/3	366230776	45373.58
SHILPA MEDICARE	510.50	511.05	-0.55	-0.11↓	594.40	499.90	692/225	5168082	26379.92
RELIANCE INDS.	2077.40	2112.15	-34.75	-1.65↓	2097.00	2065.60	2199/900	461018	9609.38
TATA MOTORS LTD	147.75	151.75	-4.00	-2.64↓	153.60	146.00	202/64	5149109	7744.34
SBI	206.65	213.15	-6.50	-3.05↓	212.30	205.85	351/150	3073929	6411.14
ICICI BANK	372.80	382.75	-9.95	-2.60↓	379.30	368.70	552/269	1475108	5515.08
ITC LTD.	186.65	191.65	-5.00	-2.61↓	190.00	185.75	266/135	2826218	5309.10
BHARTI INFRATEL	214.75	218.75	-4.00	-1.83↓	230.75	207.55	296/121	2396393	5305.61
BAJAJ FINANCE L	3595.95	3617.40	-21.45	-0.59↓	3649.50	3516.50	4923/1783	146095	5255.74
INDUSIND BANK	615.70	631.10	-15.40	-2.44↓	642.00	605.00	1596/236	821678	5134.92

MARKET PERFORMANCE

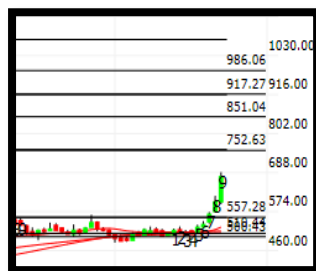
CALLS GIVEN ON 27TH JULY 2020						
SL.NO	SCRIP	BUY ABOVE	TARGET	SL	TIME FRAME	STATUS
1	RELIANCE	2049	2220-2310	1940	1-2MONTH	ACTIVE STOCK
2	FEDERAL BANK	53	59-66	50	1-2MONTH	1ST TARGET ACHIEVED
3	EDELWEISS FINANCIAL SERVICES LTD	73.5	83-98	63	1-2MONTH	1ST TARGET ACHIEVED

CALLS GIVEN ON 31st August 2020						
SL.NO	SCRIP	BUY ABOVE	TARGET	SL	TIME FRAME	STATUS
1	INDUSIND BANK	625	752-770	600	1-2MONTH	ACTIVE STOCK
2	ICICI BANK	395	444	385	1-2MONTH	BUYING RANGE
3	CITY UNION BANK	142	163-170	135	1-2MONTH	BUYING RANGE

Note: Every one of these stocks are exchanging at limited costs to their future values ,in view of the worldwide frenzy we are confronting. Anticipate Volatility in every one of them ,these are not for intraday dealers just Investors with long time skyline of 1-2 months can enter at dips.In case the stock doesn't move in the Direction mentioned , Dont forget to Maintain the stop loss

These stocks are actually investigated utilizing different markers, for example, Simple/Exponential Moving midpoints, Relative quality Index, Volume pointers, Support and opposition and Fibonacci conservations dependent on which the above levels are deliberately examined and referenced.

Indusind Bank



ICICI Bank



City Union Bank



POSITIONAL CALL

INDUSTRY NEWS

Rupee settles 33 paise higher at 73.14 against US dollar

- ✚ Snapping the two-day losing streak, the rupee rebounded by 33 paise and settled at 73.14 (provisional) against the US dollar on Friday, even as the domestic equity market was trading with significant losses. At the interbank forex market, the domestic unit opened on a strong note at 73.38 against the US dollar, then gained further ground and closed at 73.14 against the American currency, registering a gain of 33 paise over its previous close.
- ✚ During the trading session the local unit witnessed high volatility and touched an intra-day high of 73.01 and a low of 73.47 against the greenback. On Thursday, the rupee slumped 44 paise to close at 73.47 against the US dollar as rise in demand for the American currency from oil importers weighed on currency market sentiment.
- ✚ Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading 0.03 per cent higher at 92.77. On the domestic equity market front, the 30-share BSE benchmark Sensex was trading 429.77 points lower at 38,561.17, and the broader NSE Nifty fell 127.65 points to 11,399.80. Foreign institutional investors were net buyers in the capital market as they purchased shares worth Rs 7.72 crore on Thursday, according to exchange data. Brent crude futures, the global oil benchmark, rose 0.52 per cent to USD 44.30 per barrel.

CCI approves incremental acquisition by SABIC BV in ClariantAGunder

- ✚ The Competition Commission of India (CCI) approves incremental acquisition by SABIC International Holdings B.V. (SABIC BV) in ClariantAGunder Section 31(1) of the Competition Act, 2002, on 2nd September 2020. The Proposed Combination relates to an incremental acquisition of 6.51% shareholding in ClariantAG by SABIC BV (a wholly owned affiliate of Saudi Basic Industries Corporation (SABIC)) (Proposed Combination).
- ✚ SABIC is a listed joint stock company established by Royal Decree of the Kingdom of Saudi Arabia. SABIC is listed on the Saudi Stock Exchange and has operations in over 50 countries. SABIC BV is the holding company of SABIC's international operations, including SABIC's investments in the specialties sector. The four product segments in which SABIC is mainly active are petrochemicals, agri-nutrients, metals, and specialties materials.
- ✚ ClariantAG is a Swiss chemicals company headquartered in Muttenz, and is listed on the Swiss Exchange. It is active in the production and worldwide distribution of specialty chemicals. Clariant supplies its products to a variety of downstream sectors, including personal care, oil and mining, crop solutions and industrial applications. The approval of the CCI is without prejudice to the proceedings under Section 43A of the Act.

INDUSTRY NEWS

Private banks likely to gain market share from state-owners peers: Fitch

- ✚ Fitch Ratings on Thursday said private sector banks, with stronger loss-absorption buffers, are likely to gain market share from their state-owned peers in the medium term. Private banks' loss-absorption buffers, in particular enhanced capital bases, strengthen their ability to recognise losses up-front with less disruption in their efforts to accelerate market-share gains, Fitch said.
- ✚ However, it does not expect immediate gains as the sector's credit growth is likely to remain subdued, and will only resume meaningfully once a sustained recovery from the pandemic gets underway. "Indian private banks, which have stronger loss-absorption buffers than the public sector banks, are likely to gain market share from their state-owned peers in the medium term," Fitch Ratings said. Indian private banks have had a decade of strong growth, backed by better capitalisation and fewer asset quality problems.
- ✚ It said private banks increased their market shares by 14.4 pp (percentage points) and 18.5 pp by assets and loans, respectively, at the expense of state-owned counterparts during this time. Most of the gains occurred in the five years preceding the coronavirus pandemic as state banks were hamstrung by ballooning impaired loans, larger losses and weaker capitalisation. Fitch said the government-led merger of state-owned banks helped them to consolidate their market positions in the last few years, but the state-owned banks' market shares will continue to erode if they do not raise adequate capital to absorb future stress and support growth.
- ✚ It said some Indian banks have raised capital after the Reserve Bank of India implored them to raise fresh equity. However, the capital raising has been limited thus far to private banks, which collectively raised USD 6.3 billion in the past three months. "While state banks have announced their intentions to raise fresh equity, they have not gone further than routine board approvals nor given clear indications on the timelines, except for a few banks. "This is despite the need to expedite improvement in the state banks' capital positions, which we believe remain vulnerable to varying degrees to future stress and unexpected losses," Fitch said.

EESL to procure 250 Electric Vehicles from TATA Motors & Hyundai Motor

- ✚ Energy Efficiency Services Limited (EESL), a Super Energy Service Company (ESCO) under the administrative control of Ministry of Power, Government of India, will procure 250 electric vehicles from Tata Motors and Hyundai Motor India. The companies were selected through an international competitive bidding process, which was aimed at increased participation. Tata Motors Limited and Hyundai Motor India Limited won the tender and now will supply 150 Nexon electric compact SUVs & 100 Kona electric premium SUVs respectively for government use.
- ✚ The letter of award for the procurement was presented to the two companies, in the presence of Mr. Guenter Butschek, CEO & MD, Tata Motors, Mr. Shailesh Chandra, President, Passenger Vehicle Business Unit, Tata Motors and Mr. Tarun Garg, Director – Sales, Marketing & Service, Hyundai Motor India Ltd. This procurement will utilize 5 Million USD from the recent grant provided by the Asian Development Bank (ADB)



TECHNICAL ANALYSIS

INVESTMENT SUGGESTIONS

- ✚ Nifty50 on Friday formed an indecisive candle on the daily scale with long upper wick, and a 'Bearish Engulfing' candle on the weekly scale.
- ✚ The index slipped below its 20-day exponential moving average (EMA), signaling further loss of momentum. Analysts said the index needs to stay above the 11,300 level to avoid a steep fall next week.
- ✚ The index needs to hold above 11,300 level for the bulls to make a comeback towards the 11,650-11,750 zone.
- ✚ "A breach of this critical support can lead to a further drag towards the 11,100-11,050 zone in the coming weeks. Momentum oscillator RSI-14 is showing loss in momentum. Nifty has closed below its 200-DMA, for the first time after May 28, which also showed loss of momentum. It's ideal to remain vigilant and trade cautiously. For the coming week, Nifty50's range seems to have shifted towards the 11,650-11,150 zone,"
- ✚ Investors trade cautiously as any escalation in the borders will have a direct impact on the market.
- ✚ Exit short positions & enter when market is in a rebound phase. Long term investors stay put don't panic sell ,average your position when such stocks trade in discounted prices.
- ✚ But don't lose hope-As many phases the market goes through this is one of it, "But it will recover as Mr Stock market always does"

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